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The Director of Central Intelligence
Washington, D.C. 20505

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19 March 1985

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: Herbert E. Meyer
Vice Chairman, National Intelligence Council

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: Philippines

Attached please find information on the current situation in the Philippines [redacted] 25X1

[redacted] I thought it might 25X1

be helpful in preparing for the discussion of "monitoring the Philippine Scene" [redacted] set for Friday 25X1

afternoon. It underscores how much more serious the Philippines situation is [redacted] 25X1

Carl W. Ford, Jr.

Attachment:
As stated

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PRECONDITIONS FOR CIVIL DISORDER: THE PHILIPPINE CASE

Empirical evidence--based on studies of countries where major instability has occurred in the past--shows that certain types of events and processes have the potential to result in substantial civil disorder. Although scholar-observers lack firm answers about how generic indicators derived from this evidence interact to promote instability, some insights regarding the Philippine situation are possible by comparison with these generic indicators.

Social Change or Conflict

Increasingly large numbers of the general public reject the legitimacy of the regime, that is, its inherent right to govern.

A growing number of Filipinos see President Marcos as a principal cause of their problems. We estimate that some 30% of the rural barangay influenced by the NPA reject Marcos's rule totally. An even larger percentage reject Marcos, but cling to hopes of a contitutional successor to bring about reform. Few Filipinos believe any longer that Marcos can solve the Philippine's pressing political military and economic dilemmas.

Influential interest groups--the middle class, the business sector, labor, and the Church, for example--withdraw support from the regime because they believe it no longer protects their political or economic interest or their core values.

Although interest groups have not officially withdrawn their support from Marcos enmasse, he has lost considerable credibility with all groups and important segments of each has deserted him. The leadership of the communist and non-communist opposition comes almost exclusively from the middle class. The business sector--long a

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conservative element in Philippine society--has become quite active since the Aquino assassination in opposing Marcos. Many of its members played a key role in revitalizing NAMFREL to watchdog the May 1984 elections. A number of businessmen have opened up lines of communication with the CPP/NPA and others pay taxes to operate in NPA-influenced areas. Labor organizations have been infiltrated by the CPP and its front organization operates openly in organizing strikes and protest domonstrations. Conservative church leaders participate in NAMFREL and attack Marcos excesses and abuses in their sermons. Liberation theology has caught on with some in the Church and in the countryside priests are known to be actively engaged in the insurgency.

Demonstrations and riots become frequent and, instead of focusing on specific issues, assume a general anti-regime tone.

Since the Aquino assassination demonstrations have become commonplace, but due primarily to regime restraint they have not turned into riots. In the local areas, the CPP/NPA have concentrated on specific issues--often military abuses and economic corruption--to mobilize support.

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Economic Factors

Major economic deterioration makes it difficult for the government to raise tax revenues to finance essential public services, patronage disbursements, subsidies on food, energy, and transportation, and the requirements of the military.

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The government implements harsh austerity measures needed to get access to foreign funds.

Prices increase rapidly and dramatically; supplies drop.

Workers and peasants attribute the increasingly wide gap between themselves and the rich to the failure of government policies and the control of the government by the rich.

The poor economic outlook will complicate the task of countering the insurgency from both a financial and political perspective. Even assuming favorable treads in the Philippines' export markets, for example, econometric simulations show that growth is not likely to exceed 2 percent in 1986. National income--and the tax base--in such a circumstance, will be no greater than the present depressed level. In addition, Manila faces the need to reschedule debt falling due in 1986 and 1987, ensuring that budget austerity and tight money policies will prevail for several more years. As a consequence, Marcos will continue to face severe financial constraints that will impair his ability to deal with the expanding insurgency by impairing AFP budget allocations and rural development programs.

The Philippines, already possessing the greatest gap between rich and poor of any East Asian nation, can expect further alienation of its people, particularly among urban workers who face a shrinking job market and shortages of food and energy. Over time these workers could prove susceptible to CPP/NPA propaganda and the increased urban agitation planned for 1985.

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Opposition Group Activities

Opposition groups coalesce against the government.

Opposition groups, both communist and non-communist, received new energy and focus after the Aquino assassination. The moderate non-communist opposition, however, has not embraced the communists agenda of revolutionary change. Nevertheless, [redacted] 25X1

[redacted] they may cooperate informally with the CPP/NPA during the 1986 local elections. 25X1 The radical opposition, while keeping the CPP at arms length publicly, has already been infiltrated and significantly influenced by the CPP. In any event, many observers believe that the opposition could win power in a free and fair election against either Marcos, Imelda or others within the KBL who were seen as likely to perpetuate the "Marcos Era" without Marcos.

The opposition is able to mobilize large numbers of people for anti-regime activities.

In the wake of the Aquino assassination large demonstrations orchestrated by the opposition ensued. A whitewash of the suspected killers of Aquino could precipitate similar events. Other more generally anti-regime demonstrations, however, do not seem in the offing for the moment. NAMFREL's huge success in turning out poll watchers for the May 1984 elections, although differing significantly from the other type of activities mentioned previously--it suggests the

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depth of support for the constitution--does indicate widespread dissatisfaction with the Marcos regime. Also, in a recent development, cracks in the KBL's facade of unity have begun to show. Some like former Labor Minister Ople and Foreign Minister Tolentino may join forces with the opposition.

The most threatening opposition groups claim that the violent overthrow of the government is the only way to bring about change.

The CPP/NPA by all standards has grown tremendously over the past few years. We estimate that the NPA now has an armed, full-time strength of some 12,000-15,000 fighters and influences over 30 percent of the rural areas. Activity--organizational, guerrilla warfare and terrorism--is on the upswing. If present trends continue the insurgents could expect to achieve a strategic stalemate as early as 1987. And although a majority of the opposition still reject the option of a violent overthrow of the government, this could change quickly if the regime takes actions that cause oppositionists to lose hope in constitutional procedures.

A powerful, charismatic opposition leader emerges and presents himself as the embodiment of the nation's destiny.

The Philippines is poorly positioned for the transition to new leadership because Marcos has succeeded in holstering his position in power over two decades largely by ensuring that no viable successor developed. Aquino threatened to emerge as a charismatic opposition

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leader and was murdered. His wife Cory has the broadest popular support and the strongest emotional appeal, but lacks experience. The remaining opposition leaders are somewhat lacking in lustre in comparison to Marcos.

Military Attitudes and Activities

Corporate military interests or values are assaulted by the government or other institutions.

The military leadership disapproves of the government's handling of major issues.

Thus far, grumbling has grown over the politicalization of the military under General Ver and the lack of an effective, coordinated response to the NPA threat. Increased instability, and particularly an assault on the constitution, could cause military leaders to act to protect their interests. Pressures to reform the military and end abuses could also cause splits between the regime and important segments of the AFP leadership. By the same token, the reinstatement of General Ver could lead to splits within the military especially among the more professionally oriented officers who might rally around Acting Chief of Staff Ramos.

Important segments of the military or police identify with the goals of one or more opposition groups; military unity begins to dissolve.

There are no outward signs that the opposition has made any headway amongst the military. Dissatisfaction obviously exists and the officer

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corps shares many of the same values as the middle class but this has not led to formal alliances. There are, however, reports of younger officers meeting to air common grievances and if this increases it could cause the regime serious problems and offer opportunities for alliances to form between these officers and the opposition.

The military and police do not possess sufficient manpower and equipment to cope with simultaneous outbreaks of civil unrest.

The AFP is already spread dangerously thin, and some believe is incapable of dealing with the growing threat from the insurgency. The AFP will probably have to be increased in size and shortages in mobility equipment rectified before a counterinsurgency effort can be mounted effectively. Moreover, the regime has not been able to provide the military with a coordinated strategy and a unified approach to ending the insurgency. Many fear that unless the military undergoes a fundamental reform and ends military abuses an increase in the size of the AFP might well be counterproductive.

External Factors

Opposition groups receive substantial amounts of external material aid.

Events in neighboring countries--such as the partial or total success of a revolutionary movement--provide a powerful psychological stimulus to domestic revolutionaries.

There is no evidence to date that the CPP/NPA receive substantial amounts of external material aid. China's revolutionary example

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provided psychological support to the communist movement earlier, but the CPP and CCP are no longer close. Marxist intellectuals and radical members of the opposition, however, are known to believe that Nicaragua provides a model for revolution in the Philippines.

Regime Capabilities and Actions

The regime is reluctant to permit the security forces to take tough measures to suppress demonstrations, riots, strikes before they get out of hand. Conversely, the regime steps up both violent and non-violent repression.

The regime has generally shown restraint in dealing with opposition demonstrations. It probably wisely reckons that excessive force would only inflame the situation. Although it has also not increased the degree of violent and non-violent repression, military abuses are out of hand and the major contributing factor in the increased support for the NPA in the countryside.

Important elements of the military or police identify with the goals of the main opposition.

The military and other security forces, while disenchanted with some of the regime's policies, are in clear agreement on their opposition to communism and with the need to maintain internal stability.

Conflict breaks out among groups that make up the ruling elite.

Marcos recently fired the independent-minded Foreign Minister Tolentino and Labor Minister Ople resigned in protest. Ople, seen as a

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possible successor to Marcos within the KBL, has apparently had preliminary discussions wih elements of the moderate opposition and may soon join them.

The ruler's poor health, flagrant incompetence, or increasing isolation makes influential power brokers gear up for succession.

With each downturn in Marcos's health the jocking for a role in the succession becomes more earnest and open. Even members of the KBL, such as Defense Minister Enrile, once thought to be part of the inner circle, are actively involved.

The bureaucracy is unable or unwilling to implement policy or respond to policy shifts.

Marcos has been an autocratic ruler and only he can see to it that policy is implemented consistently and effectively. With his health problems and inability to put his full attention on the nation's problems the bureaucracy has been predictably sluggish in the implementation of a wide range of policies.

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